

PART 842—CONTRACT ADMINISTRATION

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PART 842 - CONTRACT ADMINISTRATION

842.000 Scope of part.

This part applies to all contracts, whether sealed bidding or negotiated. (See 801.602-70 for requirements for legal review of certain contract administration actions.)

842.070 Definition.

Contract administration is the coordination of actions required for the performance of a contract including the guidance and supervision necessary to assure that all contractual obligations are fulfilled.

SUBPART 842.1 - INTERAGENCY CONTRACT ADMINISTRATION AND AUDIT SERVICES

842.101 Policy.

(a) Pursuant to FAR policy encouraging interagency cross-servicing in field contract support services, contracting officers of the Department of Veterans Affairs will utilize the support services of other agencies to the extent feasible. Examples of such services are: preaward surveys; quality assurance and technical inspection of contract items; and review of contractors procurement systems. Requirements for support services available from any other Government department or agency will be obtained on the basis of an approved negotiated interagency support agreement.

(b) An interagency support agreement is a written instrument of understanding executed between the parties to the agreement. The agreement should state clearly the accord which has been reached between the two parties involved, especially the obligations assumed by the rights granted each. The agreement will be specific with respect to resources to be provided by both the supplying and receiving activities. It will also provide for funding and reimbursement arrangements, and clauses permitting revisions, modifications thereto, or cancellation thereof, will be included.

842.102 Procedures.

(a) The Department of Defense Directory of Contract Administration Services Components and the Directory of Federal Contract Audit Offices are available through the Department of Veterans Affairs Forms and Publications Depot.

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(b) Proposed interagency support agreements with any other Government department or agency involving the expenditures of Department of Veterans Affairs funds of \$5,000 or more will be forwarded by the facility director (or Central Office official) to the Deputy Assistant Secretary for Acquisition and Materiel Management (93), who will transmit with recommendation to the General Counsel for legal review and approval, as required by 801.602-70 (a)(4).

(1) Proposed agreements, both new and renewal, will be submitted in an original and four copies so as to reach Central Office 60 days prior to the effective date of the agreement.

(2) Complete justification for all proposed agreements will be submitted, as approval depends on the adequacy of the justification.

SUBPART 842.2 - ASSIGNMENT OF CONTRACT ADMINISTRATION

842.202 Assignment of contract administration.

Proposed assignments of contract administration responsibility outside of the procuring activity will be forwarded by the facility director to the Deputy Assistant Secretary for Acquisition and Materiel Management (95), who will transmit the proposal to the General Counsel for legal review and approval, as required by 801.602-70(a)(6) and 801.602-71. Complete justification will be provided, specifically addressing the need for and benefits to be provided by assignment of contract administration. (See 801.603-70 for policy on designating representatives of contracting officers, and FAR 30.401 for contracts involving Cost Accounting Standards.)

SUBPART 842.7 - INDIRECT COST RATES

842.705 Final indirect cost rates.

(a) Contracting officers will request audits on proposed final indirect cost rates and billing rates for use in cost reimbursement, fixed-price incentive and fixed-price redeterminable contracts as described in FAR subpart 42.7 unless the quick-closeout procedures described in FAR 42.708 are used. In this case, the contracting officers will perform a review and validation of the contractor's data submitted for accuracy and reasonableness of the proposed rates for negotiating the settlement of indirect costs for a specific contract.

(b) Contracting officers in the Office of Acquisition and Materiel Management and Office of Facilities Management who are located in the VA Central Office have the option to request audits directly from the cognizant audit

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agencies or requesting audits through the Assistant Inspector General, Office of Departmental Reviews and Management Support (53C). All other contracting officers located in the VA Central Office and the Office of the General Counsel will send requests for audit to the Assistant Inspector General, Office of Departmental Reviews and Management Support (53C). Contracting officers located at field stations and the VA National Acquisition Center are required to arrange for the audits through the Deputy Assistant Secretary for Acquisition and Materiel Management or the Chief Facilities Management Officer. The Assistant Inspector General, Office of Departmental Reviews and Management Support (53C), will provide such accounting assistance or technical advice as is deemed desirable by the contracting officers.

SUBPART 842.8 - DISALLOWANCE OF COSTS

842.801-70 Audit assistance prior to disallowing costs.

When a contracting officer determines during the performance of a cost reimbursement, fixed-price incentive or fixed-price redetermination contract exceeding the thresholds specified in FAR 15.403-4, that costs should be disallowed, audit assistance will be requested. Such requests submitted by field facility contracting officers will be directed to the Deputy Assistant Secretary for Acquisition and Materiel Management (95) for review and forwarding to the Assistant Inspector General, Office of Audit (52), or other recognized audit agency, e.g., the Defense Contract Audit Agency.

842.803 Disallowing cost after incurrence.

Contracting officers may approve contractors' vouchers for payment and process them to the servicing fiscal office. Such approval must be within the limitations of the contracting officer and the contract for which the voucher is submitted must be within the contracting officers delegation of contracting authority. (Note 842.801-70 regarding disallowing costs).

SUBPART 842.12 - NOVATION AND CHANGE-OF-NAME AGREEMENTS

842.1203 Processing agreements.

Prior to execution of novation and change-of-name agreements by a Department of Veterans Affairs contracting officer, he/she will forward the agreement and related documents to the Office of the General Counsel for review as to legal sufficiency. The documents will be submitted through the same channels as those prescribed for legal review of contracts in 801.602-72.

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